

INFORMATION REPORT

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COUNTRY

Germany (Russian Zone)

CONFIDENTIAL

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SUBJECT

Production of Soviet AGs; SMA Plans
to Increase Output

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1. The following figures refer to the production of Soviet AGs during the first quarter of 1948 and are based on statistics of the various state governments and SMA agencies.

Product	Amount
Iron	130,000 tons
Metals	15,000 "
Lignite	17,000,000 "
Anthracite	480,000 "
Cement	65,000 "
Potash	135,000 "
Buna S	400 "
Buna (Butadien, Buna 115 & Buna N)	7,000 "
Cellulose for textiles	320,000 "
Cellulose for paper	180,000 "
Electric motors: 0.5 to 3 HP	2,800 "
Combustion motors for motor vehicles	800 "
Diesel motors for locomotives and power-stations	120 "

Although the above-mentioned coal production figures were passed on to Moscow, the amount of coal actually mined was approximately eight per cent below these figures. The difference between the amount of coal actually mined and the production figures reported to Moscow was made up from last year's surplus stocks, about which Moscow had not yet been informed. This procedure eliminated the necessity of reporting a decrease in production as compared with that of 1947.

Comment: The figures given for coal production are totally out of line with the production plan as reported in January by the same source.)

Buna S, being of superior quality, has been listed separately. It is used for tires, technical and medical rubber goods, as well as for insulation purposes.

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CENTRAL INTELLIGENCE AGENCY

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2. Since the program for an increase in production has not been successful, Heinrich Rau was asked by SMA Karlshorst to exercise personal supervision over the Ministries of Economics of the various state governments. Rau, with the approval of SMA Karlshorst, has issued directives to the various ministries to the effect that any worker found guilty of even the slightest offense is liable to heavy punishment. Additional inspectors, consisting exclusively of specialists and reliable SED members, were assigned to the state governments. It is the duty of these men to see to it that reparations orders are filled on time, and to make a preliminary inspection of the finished products prior to their delivery to the SMA.
3. All state-owned enterprises have been put under Fritz Selbmann, the Vice-President of the DEK (German Economic Commission), which means that approximately 90% of all industrial enterprises are responsible to the DEK.
4. The SMA approved the Rau proposal that the production plan for the third and fourth quarters of 1948 include all industrial branches. It also accepted the proposal that production plans for a two-year period beginning 1949 be drawn up.

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